

The Church of Jesus Christ of Latter-day Saints (Great Britain)
(An unlimited company and registered charity)

Annual report and financial statements

Year ended 31 December 2014

Company number: 699764

Charity number: 242451

The Church of Jesus Christ of Latter-day Saints (Great Britain)
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Year ended 31 December 2014

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The Church of Jesus Christ of Latter-day Saints (Great Britain)

Report of the trustees (incorporating the strategic report) for the year ended 31 December 2014

The trustees are pleased to present their report together with the audited financial statements of The Church of Jesus Christ of Latter-day Saints (Great Britain) ("The Charity") for the year ended 31 December 2014.

Legal and administrative details

Charity number: 242451

Company number: 699764

Principal office and registered office: 751 Warwick Road, Solihull, West Midlands, B91 3DQ

Auditors: Grant Thornton UK LLP
Chartered Accountants & Registered Auditors
Colmore Plaza,
20 Colmore Circus,
Birmingham B4 6AT

Bankers: HSBC
34 Poplar Road, Solihull, West Midlands, B91 3AF

Citibank
CitiGroup Centre, 33 Canada Square, London, E14 5LB

Solicitors: Devonshires
30 Finsbury Circus, London, EC2M 7DT

Directors, trustees and senior management:

The directors of The Charity are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The trustees serving during the year, and subsequent to the year end and up to the date of their resignation as of June 10 2015 were as follows:

Robert John Mulligan

Rainer Herbert Gottlieb Wiborny

Craig Jeffery Hunt

The trustees appointed as of June 10 2015 and up to the date of signing the report were as follows:

Brian Cordray

Axel Leimer

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Directors, trustees and senior management (continued):

Matthew Bruce Robertson

None of the trustees have qualifying third-party indemnity insurance.

Area controller

Evan Larsen

Structure, governance and management

Governing document

The Church of Jesus Christ of Latter-day Saints (Great Britain) is an unlimited company and a registered charity. The Charity is governed by its Memorandum and Articles of Association which were last amended on 4 July 2012.

Appointment of trustees

As set out in the Articles of Association, new or additional directors (trustees) are to be appointed by the shareholder (Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints), providing such persons are willing so to act either to fill a vacancy or as an additional trustee.

The shareholder will also determine the rotation and time in which trustees are to retire. Currently no term is fixed to the term served. Trustees shall not be less than two or more than seven in number.

The shareholder may, from time to time, vary the minimum or maximum number of directors (trustees).

Trustee induction and training

New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of The Charity.

During the induction day, they meet key employees and other trustees. Trustees are updated and advised on legal issues by Devonshires solicitors.

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Organisation

The parent organisation of The Charity, The Church of Jesus Christ of Latter-day Saints ("The Church"), is directed by the First Presidency supported by The Quorum of the Twelve Apostles and various quorums of the Seventy. Members of these quorums are called General or Area Authorities, three of whom will be assigned to serve as an Area Presidency within a specific geographic area.

Throughout the world a number of Area Presidencies are assigned to administer the day to day affairs of The Church on behalf of the First Presidency. One of these Area Presidencies is based in Frankfurt, Germany and has the responsibility for the administration and operation of The Church in Europe. The Europe Area Presidency provides ecclesiastical direction for The Church in Europe and oversees The Church's lay ministry.

Ecclesiastical direction is channelled to The Charity via the shareholder and is reflected in the various department budget requests which are reviewed by the trustees annually prior to them being submitted to Church headquarters for approval.

The Charity also administers operations in France.

Within this framework, the board of trustees administers the affairs of The Charity. The board meets at least twice a year. Department heads submit reports and budget requests to the trustees for approval in or around October each year. In or around March each year department heads report to the trustees on the prior year's financial performance and achievements.

In addition, the trustees monitor progress and achievements throughout the year and other trustee meetings are held as necessary.

Employees

The Charity has the policy of ensuring that its employees are those that are able to meet the necessary requirements of their position and are up to date on any developments required for their position. This is achieved in a variety of ways:

- Applications for new positions in The Charity are invited from anyone with the relevant qualifications. The key selection emphasis is on the applicants' ability to meet the requirements of the position with reference to qualifications and prior experience. In December 2008, in response to the impact of the economic environment on operations, The Charity initiated a hiring freeze with the result that resigning or retiring staff would no longer be automatically replaced. This hiring freeze continued throughout 2014. In the future, whenever a vacancy does need to be filled, preference will be given to selecting from existing employees based on their experience and relevant qualifications. Only in exceptional circumstances is it expected that new external hires will be considered for needed vacant positions.
- The Charity utilises regular staff meetings during the year which help to ensure that the employees' input is received regarding any decisions which affect their interests. In addition, there are websites and e-mail facilities available to enable more effective communication and training. This helps to ensure that employees receive systematic updates on matters concerning them as employees and ensures their involvement in relation to the financial and economic factors that affect the performance of The Charity.

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- In addition to the above points, The Charity is mindful of the need to cater for those with illness, medical conditions or disabilities. Applicants for new positions in The Charity are requested to provide information the employer would need to be aware of in order to make reasonable adjustments should they be successful.
- In addition to the above points The Charity is mindful of the need to cater for those with disabilities. Where any employees become incapacitated during their employment they are entitled to receive long term disability benefits from The Charity. Where an employee becomes disabled but not incapacitated the employer will make any reasonable adjustments necessary. On training and career development issues, there is no distinction made between disabled and non-disabled employees. The same opportunities are available to all staff, irrespective of disability. The key emphasis is on the technical ability of each employee.

Related parties

The Charity has a close relationship with its sister charity the Irish Association of The Church of Jesus Christ of Latter-day Saints ("The Irish Association"). There is regular cooperation between the charities.

Objectives and activities

The Charity has the general aim of assisting The Church to grow its membership and to provide facilities for them and to reach out and work with, and provide services to, the wider community. The Charity assists members of The Church and others in need of religious assistance or in conditions of need, hardship, sickness or distress.

The object of The Charity is:

To promote and further the religious and other charitable work of The Church of Jesus Christ of Latter-day Saints in the United Kingdom and elsewhere.

The Charity achieves this in the following ways:

Provision of facilities for religious worship

One of the primary objectives of The Charity is to provide temples and meetinghouses to enable religious worship to be undertaken by members of The Church and others. Worship services are held each Sunday in meetinghouses. The Charity has the responsibility of construction of new meetinghouses where the need arises. It deals with external contractors, architects and other consultants directly to achieve this goal.

Religious education

Worship services are held each Sunday in meetinghouses whereby members and non-members are invited to attend and learn about Jesus Christ and how adopting his teachings benefits all. These services are open to the public. Various other meetings are held throughout the rest of the week.

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The smallest congregation in The Church is a Branch. Larger congregations are called Wards. All members of The Church belong to a designated Branch or Ward. Groups of Branches and Wards are called Districts or Stakes. These are created to facilitate the administration of The Church.

The Church has no paid ministry and thus local members fill leadership positions. Men and women volunteer their time to serve in whatever position they are called.

Ecclesiastical functions in the various congregations are carried out on a volunteer basis. Administrative support and ecclesiastical direction is provided from The Church's European headquarters in Frankfurt, Germany (from August 2008). Prior to August 2008 ecclesiastical direction and administrative support had been provided from Solihull in the West Midlands.

Religious materials

The Charity supplies certain religious materials at no charge to members of The Church and others to help them in their Church work and to improve their learning. Magazines and other religious training materials are also contained on The Church's United Kingdom and worldwide websites (www.lds.org.uk and www.lds.org).

Missionary work

A key objective is missionary work and The Charity assists in the funding of missionary activities in the United Kingdom. Missionaries will teach people about The Church and also undertake service projects in the local community.

Family history

The Church places great religious significance on tracing family history. Within the community there is also a wide interest in genealogy. The Charity continues to be committed to improving facilities within its Family History Centres throughout the United Kingdom and Ireland.

Upon request, The Charity also makes available microfilm and microfiche records from the extensive libraries held by The Church. Family history research (researching genealogy) remains a major interest and hobby for many people in Great Britain. On-line resources including searchable databases and images of original records, continue to grow at pace. Access is available to the world's largest free genealogy library where more than 20 billion records can be studied.

One of the aims of the Family History Department is to deliver more records, to more people and faster, by providing timely access to the broadest set of family history records possible.

There are no paid employees in Family History Centres. They are staffed by volunteers, with 95% of these being members of The Church.

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Work in the community

The Charity encourages members of The Church to become actively involved in their local community and provide training materials to assist with this. The Charity also arranges a 'National Helping Hands Day' where members of each Ward and Branch perform a pre-arranged service in the community.

Public Affairs

The Charity undertakes certain public affairs projects during the year to ensure that the general public has a clear understanding of what The Church teachings stand for.

Encourage welfare principles

The Charity encourages members to become economically self-reliant through employment, education, and maintaining food storage. A large amount of the responsibility for this rests with the Self-reliance Services (formerly Employment Services) department.

Public benefit

The trustees have read and given due regard to the guidance on public benefit published by The Charity Commission in exercising their powers and duties, including the supplementary public benefit guidance for charities whose aims include advancing religion.

The Church of Jesus Christ of Latter-day Saints (Great Britain)

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Strategic Report

Achievements and performance

Membership

Church membership in the United Kingdom stood at 186,878 at 31 December 2014 (2013: 187,421).

Provision of facilities for religious worship

At year end there were 45 stakes comprising 290 Wards and 49 Branches (2013: 45 stakes comprising 287 (revised figure) Wards and 50 Branches). At year end 2014, The Charity owned 272 (2013: 272) meetinghouses accommodating the Wards and Branches. For those congregations not yet qualifying for a purpose-built meetinghouse, facilities were either leased or rented to accommodate such units of The Church. During 2014, The Charity leased or rented 31 premises (2013: 31) to house an equal number of Wards and Branches that do not yet qualify for their own meetinghouse.

In 2014 the following building-related costs were incurred:

Real Estate Projects

There were no real estate sites purchased during the year.

Meetinghouse Addition Projects

1. Additions completed in 2014 – Thetford, Chelmsford, Chester	£ 1,312,897
2. Additions design started in 2014 – Poole, Oxford	£ 595,000
3. Additions construct started in 2014 – Swindon, Redcar	£ 3,134,578
Total	£ 5,042,475

Meetinghouse Replacement and Improvement (R&I) Projects

120 meetinghouse R&I projects started in 2014	£ 2,372,274
Total	£ 2,372,274

The addition of a further regional facility manager at the end of 2013, enabled a higher-than-expected number of projects to be started in 2014.

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Achievements and performance (continued)

Provision of facilities for religious worship (continued)

In addition, the following maintenance costs were incurred in the year:

Meetinghouse Operations – the cost to operate and maintain meetinghouses in 2014

	31 December 2014	31 December 2013
Operational costs include: Cleaning, Minor Maintenance, Grounds Care, Phone, Utilities, Administration Costs and Rents. Total operational square feet = 2,275,424	£ 10,178,474	£ 11,557,817
Total	£ 10,178,474	£ 11,557,817

New Meetinghouse Projects

New meetinghouse construction projects completed in 2014 (subject to final surveyor sign off) were: Manchester YSA Chesterfield	£ 3,995,434 £ 2,515,595
Total	£ 6,511,029

Salisbury construction project (started in 2013) was still on-going at the end of 2014 due to some planning permission issues. It is expected to be completed in 2015.

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Achievements and performance (continued)

Missionary work

During 2014 there were 1,812 convert baptisms in the United Kingdom (2013: 1,712). The Charity continues to assist with the funding of missionary programmes.

In all, there are currently 6 missions in the United Kingdom. Each mission has a financial secretary to administer the financial matters of that mission. In addition, there is financial and administrative support given from the head office at 751 Warwick Road, Solihull and Area office located in Germany, Porthstrasse 5-7, Frankfurt.

Overall, the missionary programme for 2014 finished within budget.

Family History

In the United Kingdom The Charity now has 121 Family History Centres operating at 2014 year end. These research facilities are used extensively by members of the public, with approximately 70% of patrons not being members of The Church.

Achievements in Family History during 2014 were:

- Participated in the “Who Do You Think You Are?” event at the Olympia, London for the eight year in succession. Also participated in or sponsored local units to participate in ten other Family History fairs in the UK.
- Thirty-five volunteers (Church-service missionaries – ‘CSM’) work in the FamilySearch Support EMEA Contact Centre –the online and phone helpdesk. Along with other English-language volunteers located elsewhere in the world, they typically handle 630 telephone cases/month; 85 chat interactions/month and answer 680 e-mail cases/month.
- Imaged and replaced 66 Family History Centre personal computers.
- During 2014, efforts continued to increase the numbers of volunteers working to index family history records on-line, through FamilySearch Indexing with over 28,700,000 names indexed or arbitrated. At year-end, there were 4,679 Church member indexers in place, with a significant additional number of non-member indexers. 28600 non-members visited family history centres in 2014.
- Provided webinar presentations from the main Family History Library to Church and community groups.
- Four full time employees supported by missionaries both full time and CSMs captured 1,191,644 images. This equates to possibly 8,500,000 records (individual names).
- Agreements have been signed covering in total 1,800,000 new images. Some of these new images have been captured through 2014, the remainder will be captured during 2015 and 2016. Some competitively-bid agreements were not secured; this resulted in fewer new images than had been anticipated.

The agreement with the Federation of Family History Societies was not concluded in 2014; negotiations are on-going.

- Continued participation in the affiliate programme, where FamilySearch cooperates with organizations to promote the principle of ‘more records faster to more people.’ This is being

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Achievements and performance (continued)

Family History (continued)

accomplished by using indexes already created by Family History Societies and by agreement with commercial companies such as "Find My Past." Significant benefits for The Church come in reduced costs as well as in a better availability of records on others web sites, freely accessible to FamilySearch members.

- Promoted partnerships, with regards to in-process or completed projects, with organisations such as Ancestry, Find my Past, My Heritage, FreeREG.

Welfare principles

Members were instructed on food storage and budgeting issues as part of the general program of The Church to help members and others become self-reliant. To assist this process guidance pamphlets on these topics were distributed free of charge as well as lessons given in each of the Wards and Branches throughout the year in the UK.

Local leaders of The Church were given counsel and direction on how best to respond to the needs of the poor and needy. This training was undertaken by volunteers who, in addition, provided further training on responding to spiritual, emotional and social needs, resource management and debt avoidance, enhancing physical health and well-being and meeting the education and literacy needs of members.

Self-reliance Services

The Employment Resource Services transitioned to a newly titled Self-reliance Services in September 2014.

About 500 placements in employment, self-employment and education/training were achieved in 2014. In addition, numerous Career and Self-Employment Workshops were held across the country at various chapel locations and within the now called Self-reliance Centres.

In September, the Edinburgh Centre was closed as part of the new structure for operations and the process of preparation for opening a new Self-reliance Centre in Manchester began. Furthermore, a second manager (Les Pointer) for the Self-reliance operations covering the north of the UK and Republic of Ireland was hired, while the existing Self-reliance Services manager (Martin Gardner) was re-assigned to responsibility for the new operation in the southern half of the UK and Netherlands.

Transition to the new department basically saw a major two-fold change to operations which re-focussed much of the direct responsibility for working with individuals, with self-reliance needs, to the local volunteer ecclesiastical leadership and locally appointed self-reliance specialists. The manager's new role has now changed to principally be the provision of support to local leaders and specialists through a process of ongoing training and resource development.

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Achievements and performance (continued)

Welfare principles (continued)

Work in the community

During 2014 The Charity undertook the following major community initiatives:

Helping Hands projects

Mormon Helping Hands is a Church outreach programme to provide community service and relief to those in need, including in association with other faiths. Over 20,000 hours were donated across up to 200 congregations.

NHS Blood and Transplant

There were 190 blood donation sessions during 2014, totalling 18,024 individual donations. Each blood donation has the ability to save or improve the lives of up to three adults or seven babies.

Community Outreach and Interfaith Outreach

Highlights, in association with local congregations and other Church departments:

3rd March: Nelson Mandela Memorial Service, Westminster Abbey

Senior ecclesiastical leaders Elder George R Donaldson and Elder Clifford T Herbertson officially represented the Church at this major civic event attended by clerics from a range of UK-based and world faiths as well as many others.

6th June: Manchester Young Single Adult Centre community opening

The commemorative programme was followed by the official ribbon cutting ceremony performed by the recently installed Lord Mayor of the City of Manchester, Councillor Susan Cooley. Other church, government and community dignitaries were in attendance including the Mayors of Trafford, Oldham, and Bolton who joined in the ribbon cutting ceremony.

17th June: National Parliamentary Prayer Breakfast, Houses of Parliament

The Church was represented by several senior individuals at the event – the main speaker was the Archbishop of Canterbury, the Most Revd and the Rt Hon Justin Welby and the Chair of the Breakfast was the Rt Hon Stephen Timms MP.

29th September: The Inter Faith Network for the United Kingdom

The Church is acknowledged as an important member of the UK faith community and membership of the Inter Faith Network for the United Kingdom was confirmed in September.

October/November: Royal British Legion Poppy Appeal

The Church is an active supporter of the Poppy Appeal – volunteers across 174 congregations gave 8,649 hours of service.

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Achievements and performance (continued)

Welfare principles (continued)

December: The Christmas Truce

A total of 14,000 people gathered across 40 Church venues to commemorate the events surrounding the famous Christmas Truce of December 1914. Just months into the First World War, troops from opposing sides serving on the front line crossed No Man's Land on Christmas Day to exchange greetings, share gifts and participate in a football match. Local dignitaries including Mayors and MPs participated in the programme of remembrance.

Financial review

Each year the trustees carry out a detailed review of each department of The Charity. They review the previous year's achievements and review and approve the budgets for next year.

The end of the year saw an excellent financial result based on strong financial management. Costs were maintained within budget. There was a decrease in the total resources expended. The costs decreased from £47,263,000 in 2013 to £45,638,000 in 2014. This was primarily due to a decrease in restricted funds' expenditure from £11,473,000 in 2013 to £6,287,000 in 2014.

Incoming resources saw a decrease from £48,345,000 in 2013 to £44,065,000 in 2014. This was primarily due to a decrease in donation income from the parent company from £13,275,000 in 2013 to £8,258,000 in 2014.

The other incoming resources were donations from Church members (£30,199,000), incoming resources from charitable activities (£1,153,000) and other income (£802,000).

Resources expended exceeded incoming resources for the year by 1,573,000, before taking into account the actuarial loss on the defined benefit pension scheme of £6,630,000. The above mentioned reduction in donation income from the parent company produced such a deficit position. Resources expended exceeded incoming resources for the year by £8,203,000 after taking into account said actuarial loss.

Investment powers and policy

Under the Memorandum and Articles of Association, The Charity has the power to invest in any way the trustees deem to be in the best interests of The Charity.

The Charity's objective is to maintain high liquidity while ensuring maximum security and achieving the highest possible return.

Reserves policy

The trustees have established the level of reserves (that is those funds that are freely available) that The Charity ought to have ready access to. Reserves are needed to bridge any funding gap between spending and receiving resources through shareholder grants and member donations. The trustees'

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Financial review (continued)

Reserves policy (continued)

policy is to hold, as a minimum, the equivalent of approximately 12 months charitable expenditure in reserves.

The actual unrestricted reserves at 31 December 2014 were £250,890,000 which is significantly above The Charity's target. This significant figure is largely due to the conversion of inter-company debt to grant income that took place in prior years as directed by the parent company.

In calculating reserves, the trustees have excluded from total funds the restricted income funds of £2,607,000. It is the trustees' view that it is prudent to ensure that there are sufficient reserves to provide financial flexibility.

The reserves policy is reviewed on an annual basis.

Plans for the future

Provision of facilities for religious worship

The Charity will continue to review the criteria for deciding when to build new buildings and whether innovative building techniques can achieve cost reductions in contract procurement and construction.

Plans for 2015 include the following:

New Meetinghouse Projects with full budgeted costs

New meetinghouse construction projects are planned to be completed in 2015 at: Salisbury	£ 2,240,000
Total	£ 2,240,000

Meetinghouse Addition Projects

The following meetinghouse addition projects are planned in 2015: Redcar	£ 1,424,126
Total	£ 1,424,126

Real Estate Projects

The acquisition of the following sites are planned in 2015: Whitechapel	£ 7,500,000
Welling (feasible site not identified in 2014)	£ 3,500,000
Farnborough (feasible site not identified in 2014)	£ 4,500,000
Total	£ 15,500,000

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Plans for the future (continued)

Provision of facilities for religious worship (continued)

Meetinghouse Replacement and Improvement Projects

158 meetinghouse R&I projects are planned in 2015	£ 6,779,170
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Meetinghouse Operations – the cost to operate and maintain meetinghouses in 2015

Operational costs include: Cleaning, Minor Maintenance, Grounds Care, Phone, Utilities, Administration Costs and Rents. Total estimated operational square feet = 2,307,034	£ 11,196,708
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Religious materials

The Charity will continue to supply religious materials to members and others.

Missionary work

Sufficient budget funds will be allocated to support the continuing growth of The Church and the number of annual convert baptisms.

Family History

Plans for 2015 in Family History encompass the following:

- Full time employees will remain at 4 operators supported.
- Goal for new image capture is 1,500,000 or 7,800,000 records.
- Goal for renegotiated images is 2,500,000 or 10,000,000 records.
- Goal to involve Family History Societies to create community indexing projects.
- Goal of five new affiliate projects to spread costs for The Church, but allowing the flow of records to the web to increase.
- Create relationships with archives allowing field scanning of microfilm thus reducing costs to The Church.
- Work alongside Family HistoryPatron Services to increase member involvement in name submissions by increased publication of records.

Work in the community

Working through the Public Affairs Department, The Charity will continue its efforts in 2015 as follows:

- Presentation of family history archive to the Rt Hon David Cameron
- Law and Religion symposium at Oxford University focussing on international religious freedom (co-sponsored by Brigham Young University)
- Cooperation with the Royal British Legion with the Poppy Appeal.

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Plans for the future (continued)

Work in the community (continued)

- Continued outreach to community groups and opinion leaders (including Interfaith, Academic and Business groups).
- Family Values Awards
- Mormon Helping Hands projects nationwide
- NHS Blood drives nationally

Welfare principles

A provisional goal of 650 placements in employment, self-employment or education has been set as departmental objectives and metrics are reviewed as the transition phase to the new department of Self-reliance Services (SRS) will be completed during 2015.

It is expected that a number of stakes will be opening locally run Self-Reliance Resource Centres for a few hours each week. SRS will provide support to such centres.

Principal risks and uncertainties

The main risk The Charity faces is that it relies on donations from members and parent company donations to finance its charitable activities. However, the parent company has guaranteed its future financial support, where necessary, to ensure that The Charity has sufficient reserves to meet the costs of its charitable activities.

Financial risk and management

The following statements summarise The Charity's identified forms of financial risk and management policies:

- Price risk – salary costs are communicated to staff during the formal annual review of salaries. Prices of materials purchased are subject to contracts with suppliers, based on current market prices.
- Credit risk – Credit risk on amounts owed to The Charity by its customers is low as the majority of its debtors have been contracted frequently by The Charity in the past and have a proven reliability.
- Liquidity risk – The Charity has no long-term borrowings. Assurances of continuing financial support have been received from the parent company.
- Interest rate cash flow risk – The Charity is able to place surplus funds on short term deposit with The Charity's bankers.

The trustees have a risk management strategy which encompasses:

- an annual review of the risks The Charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the strategy; and

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Plans for the future (continued)

Financial risk and management (continued)

- the implementation of procedures designed to minimise any potential impact on The Charity should those risks materialise.

Trustees' Responsibilities Statement

The trustees (who are also directors of The Charity for the purposes of Company Law) are responsible for preparing the report of the trustees (incorporating the strategic report) and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company Law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy, at any time, the financial position of the charitable company and enables them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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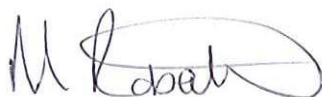
Trustees' Responsibilities Statement (continued)

The trustees confirm that:

- so far as each trustee is aware there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The report of the trustees (incorporating the strategic report) was approved on behalf of the trustees by:

Matthew Robertson

A handwritten signature in black ink, appearing to read 'M Robertson', with a large, sweeping flourish at the end.

Trustee

Date: 31 -08-2015

Company number: 699764



Independent auditor's report to the members of The Church of Jesus Christ of Latter-day Saints (Great Britain)

We have audited the financial statements of The Church of Jesus Christ of Latter-day Saints (Great Britain) for the year ended 31 December 2014 which comprise the Statement of Financial Activities (including income & expenditure account), the Balance Sheet, the Cash Flow Statement, the accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on pages 16 and 17, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditor's report to the members of The Church of Jesus Christ of Latter-day Saints (Great Britain)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Kathryn Godfree

Kathryn Godfree
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham
Date: *15 September* 2015

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

Statement of financial activities (including income & expenditure account)

for the year ended 31 December 2014

	Note	Unrestricted Funds £'000	Restricted Funds (Note 7) £'000	Total funds 2014 £'000	Total funds 2013 £'000
Incoming resources					
<i>Incoming resources from generated funds:</i>					
<i>Voluntary income:</i>					
Donations	1	30,199	3,653	33,852	33,721
Donation from parent company	18	8,258	-	8,258	13,275
Donation from sister charity	18	-	-	-	-
<i>Investment income:</i>					
Interest receivable		-	-	-	1
<i>Incoming resources from charitable activities:</i>					
Religious media sales		63	-	63	71
Temple income		1,090	-	1,090	974
		39,610	3,653	43,263	48,042
<i>Other incoming resources:</i>					
Other operating income		79	-	79	21
Other finance income	20	650	-	650	120
Profit on disposal of fixed assets	4	73	-	73	162
		802	-	802	303
Total incoming resources		40,412	3,653	44,065	48,345
Resources expended					
Charitable activities	2a	39,307	6,287	45,594	47,219
Governance costs	3	44	-	44	44
Total resources expended		39,351	6,287	45,638	47,263
Net incoming/(outgoing) resources before other recognised gains and losses					
		1,061	(2,634)	(1,573)	1,082
Actuarial gain / (loss) on defined benefit scheme	20	(6,630)	-	(6,630)	1,440
Net (expenditure)/ income for the year		(5,569)	(2,634)	(8,203)	2,522
Total funds brought forward		259,695	2,005	261,700	259,178
Transfers		(3,236)	3,236	-	-
Total funds carried forward		250,890	2,607	253,497	261,700

None of the charity's activities discontinued during the above two financial years.

There is no difference between the results above and the unmodified historical cost equivalents for the years.

The statement of financial activities includes all gains and losses recognised in the years.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

Balance Sheet

as at 31 December 2014

	Note	2014 £'000	2013 £'000
FIXED ASSETS			
Tangible assets	9	273,746	273,861
CURRENT ASSETS			
Stocks	10	106	121
Debtors	11	3,229	3,981
Investments	12	1	1
Cash at bank and in hand		848	3,219
		4,184	7,322
LIABILITIES			
CREDITORS			
Amounts falling due within one year	13	(2,533)	(3,823)
NET CURRENT ASSETS		1,651	3,499
TOTAL ASSETS LESS CURRENT LIABILITIES		275,397	277,360
Net assets excluding net pension liability		275,397	277,360
Net defined benefit pension scheme liability	20	(11,900)	(5,660)
Net assets including pension liability		263,497	271,700
THE FUNDS OF THE CHARITY:			
Called up share capital	14	10,000	10,000
Restricted income funds	8	2,607	2,005
Unrestricted income funds		262,790	265,355
Total funds excluding pension reserve		275,397	277,360
Pension deficit	20	(11,900)	(5,660)
Total charity funds	15	263,497	271,700

The accounting policies and notes on pages 23 to 36 form part of these accounts.

The financial statements on pages 20 to 36 were approved by the board of trustees on 31 August 2015 and were signed on its behalf by:



Matthew B. Robertson - trustee

Company number: 699764

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

Cash flow statement

for the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Net cash inflow from operating activities		4,677	7,080
Returns on investments and servicing of finance	16b	-	1
Capital expenditure	16c	(7,048)	(10,893)
Management of liquid resources	16d	-	-
Decrease in cash		<u>(2,371)</u>	<u>(3,812)</u>
Reconciliation of net cash flow to movement in net funds			
	Note	2014 £'000	2013 £'000
Decrease in cash in the year		(2,371)	(3,812)
Net funds at 1 January		3,177	6,989
Net funds at 31 December	16e	<u>806</u>	<u>3,177</u>
Reconciliation of operating (deficit)/surplus to net cash inflow from operating activities			
	Note	2014 £'000	2013 £'000
Operating (deficit)/surplus	16a	(2,036)	859
Depreciation		7,236	7,163
Decrease/(increase) in debtors		752	(2,078)
(Decrease)/ increase in creditors		(1,290)	1,185
Decrease/(increase) in stock		15	(49)
Net cash inflow from operating activities		<u>4,677</u>	<u>7,080</u>

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

Accounting policies

for the year ended 31 December 2014

The financial statements are prepared in accordance with applicable accounting standards in the United Kingdom and in accordance with the Statement of Recommended Practice (SORP), Accounting and Reporting for Charities 2005. A summary of the significant accounting policies which have been applied consistently, are:

BASIS OF ACCOUNTING

The financial statements are prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006. The parent company has guaranteed its future financial support, where necessary, to ensure that The Charity has sufficient reserves to meet the costs of its charitable activities.

FRS 18

The trustees have reviewed the accounting policies and confirmed that they are the most applicable.

INCOMING RESOURCES

Donations represent amounts collected from United Kingdom members on a receivable basis, together with income tax recoverable for amounts paid under Gift Aid. Deferred income relates to advance payments for certain regional activities held by the company.

Periodically, further donations are received from the company's parent company, The Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints, to provide funds for the company's charitable activities and to ensure that the company has adequate reserves. These donations may be received by way of cash or partial cancellation of amounts due to the parent company. These donations are separately disclosed in the statement of financial activities and income and expenditure account.

RESOURCES EXPENDED

Resources expended comprises expenditure on charitable activities and governance costs. Costs are either specifically identified or apportioned on an appropriate basis between charitable activities and governance costs of the charity.

Charitable activities expenditure comprises the direct costs related to the achievement of the charitable objectives and an analysis of these costs are provided in note 2.

Governance costs are those costs that relate to activities which provide the governance infrastructure which allows the charity to operate and to generate the information required for public accountability. They include the strategic planning processes that contribute to future development of the charity. A breakdown is provided in note 3 and specifically comprises the legal advice to trustees, external audit costs and costs associated with constitutional and statutory requirements.

Expenditure is recognised on an accruals basis.

INVESTMENTS

Investment income is recognised on an accruals basis.

LIABILITIES

Future liabilities are recognised when the charity has a legal or constructive financial obligation, that can be reliably estimated and for which there is an expectation that payment will be made.

STOCK

Stock is valued at the lower of cost (determined under a weighted average method) and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items or items provided free of charge.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

Accounting policies (continued)

for the year ended 31 December 2014

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Individual fixed assets costing £5,000 or more are capitalised at cost. Depreciation is provided on all tangible fixed assets, other than freehold land and assets in the course of construction, at rates calculated to write down each asset to its estimated residual value evenly over its expected useful life, as follows:

Freehold buildings	over 50 years
Land improvements	over 50 years
Plant and equipment	over 10 years
Motor vehicles	over 4 years

Where appropriate provision has been made for impairment in the value of tangible fixed assets.

OPERATING LEASES

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis over the lease term.

FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the income and expenditure account.

PENSION COSTS

The company operates a defined benefit pension scheme, which is contracted out of the state scheme. Pension costs are accounted for under Financial Reporting Standard (FRS) 17. The disclosures required by Financial Reporting Standard (FRS) 17 are included in the notes to the financial statements (see note 20).

The net assets under the defined benefit pension scheme are included in the balance sheet. Current and past service costs are charged to operating profit. The expected return on pension scheme assets, net of interest costs on pension liabilities, are included within other finance income and actuarial gains and losses are included on the face of the statement of financial activities.

FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the trustees in accordance with the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Further explanation of the nature and purpose of each restricted fund is included in the notes to the accounts (see note 8).

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

Notes to the financial statements

for the year ended 31 December 2014

1 Restricted income	2014 £'000	2013 £'000
Missionary support fund	1,353	1,190
Book of Mormon fund	40	38
Fast offering fund	1,528	1,502
Temple construction fund	83	95
Humanitarian aid fund	367	448
Youth conferences	170	141
Perpetual education fund	112	108
	3,653	3,522

2a Analysis of charitable activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2014 £'000	Total 2013 £'000
Provision of worship facilities	29,269	-	29,269	25,377
Religious education	3,926	336	4,262	4,569
Missionary work	803	4,133	4,936	9,302
Temple and Genealogy Work	5,107	-	5,107	5,350
Community projects	202	1,818	2,020	2,621
	39,307	6,287	45,594	47,219

2b Charitable activities allocation

Activity	Activities Undertaken directly £'000	Support Costs £'000	Total £'000
Provision of worship facilities	17,193	12,076	29,269
Religious education	336	3,926	4,262
Missionary work	4,133	803	4,936
Temple and Genealogy Work	-	5,107	5,107
Community projects	1,818	202	2,020
Total	23,480	22,114	45,594

2c Support costs allocation

Support cost	Provision of worship facilities £'000	Religious Education £'000	Missionary work £'000	Genealogy work £'000	Community projects £'000	Total £'000
Staff costs	3,675	2,980	609	3,878	154	11,296
Travel	364	295	61	384	15	1,119
General administration	543	441	90	573	23	1,670
Materials and supplies	125	102	21	132	5	385
Depreciation	7,236	-	-	-	-	7,236
Cost of sales	133	108	22	140	5	408
Total	12,076	3,926	803	5,107	202	22,114

The staff costs are allocated on the basis of the department in which the particular employees work. Travel, general administration, materials and supplies, cost of sales and grant expense are allocated on a pro-rata basis with the wages costs as these support costs relate to all charitable activities. Depreciation only relates to the charitable activity of providing worship facilities.

3 Governance costs

	2014 £'000	2013 £'000
Audit fees	44	44
Accounting	-	-
	44	44

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)
Notes to the financial statements (continued)
for the year ended 31 December 2014

4 Net income/(expenditure) for the year

	2014 £'000	2013 £'000
Net income/(expenditure) is stated after (crediting)/charging:		
Operational leases (land and buildings)	7,413	6,411
Depreciation	7,236	7,163
Auditors remuneration	44	44
Profit on disposal of fixed assets	(73)	(162)
Adjustments/write off of fixed assets	(116)	42

5 Employees

	2014 No.	2013 No.
The average monthly number of persons (including directors) employed by the company during the year was:		
Teaching function	31	27
Office administration	132	143
Building cleaners	42	45
	205	215

	2014 £'000	2013 £'000
Staff costs for the above persons:		
Wages and salaries	8,337	9,111
Social security costs	1,435	1,075
Other pension costs (note 20)	1,524	1,642
	11,296	11,828

The number of employees whose emoluments fell within the following bands during the year were as follows:

	2014 No.	2013 No.
£160,000- £170,000	1	-
£80,001 - £90,000	5	-
£70,001 - £80,000	8	13
£60,001 - £70,000	9	7

The number of employees whose emoluments were above £60,000 and who had benefits accruing under the defined benefit scheme were as follows:

	2014 No.	2013 No.
£160,000- £170,000	1	-
£80,001 - £90,000	4	-
£70,001 - £80,000	8	12
£60,001 - £70,000	9	7

The highest band of emoluments encompasses remuneration of a termination payment to a former employee of the Charity.

TRUSTEES' REMUNERATION

None of the trustees received any remuneration or reimbursements from The Charity during the year (2013: none).

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

Notes to the financial statements (continued)

for the year ended 31 December 2014

6 Taxation

The company is a registered charity and as such is entitled to certain tax exemptions on income and profits carried on in furtherance of The Charity's primary objectives, if the profits and surpluses are applied solely for charitable purposes.

7 Analysis of net assets between funds

	Share capital & unrestricted funds £'000	Restricted funds £'000	Total 2014 £'000
Tangible fixed assets	273,746	-	273,746
Current assets	1,577	2,607	4,184
Liabilities due under one year	(2,533)	-	(2,533)
Defined benefit pension liability	(11,900)	-	(11,900)
	260,890	2,607	263,497

8 Restricted income funds

The capital and income funds of the charity include restricted funds comprising the following unexpended balances of donations held on trust to be applied for specific purposes.

	Balance 31.12.13 £'000	Incoming resources £'000	Transfers £'000	Expenditure £'000	Balance 31.12.14 £'000
Fast Offering fund	-	1,528	290	(1,818)	-
Missionary support fund	-	1,353	2,780	(4,133)	-
Book of Mormon fund	122	40	-	-	162
Temple Construction fund	259	83	-	-	342
Humanitarian Aid fund	1,264	367	-	-	1,631
Perpetual education fund	360	112	-	-	472
Youth Conferences	-	170	166	(336)	-
	2,005	3,653	3,236	(6,287)	2,607

Fast offering fund

These funds are contributed by members of The Church to be used in the relief of the poor and needy. During the year £1,818,000 (2013: £2,184,000) was spent for the relief of the poor and needy in the United Kingdom.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

Notes to the financial statements (continued)

for the year ended 31 December 2014

8 Restricted funds (continued)

Missionary support fund

The missionary support fund represents donations from members in the United Kingdom and Ireland towards the costs of The Church's worldwide missionary fund programme which is co-ordinated and administered by the parent company, The Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints. Funds authorised for specified missionaries are released evenly over their mission term of either 18 months or two years. The balance unexpended at the year end represents funds authorised but not yet transferred in respect of specified serving missionaries and funds reserved for future missionaries.

Book of Mormon fund

These funds are donated by the members towards the production and distribution costs of 'The Book of Mormon - Another Testament of Jesus Christ'. This book is printed by The Church of Jesus Christ of Latter-day Saints.

Temple construction fund

These funds are donated by the members towards the cost of constructing temples by The Church of Jesus Christ of Latter-day Saints in any country throughout the world.

Humanitarian aid fund

These funds are donated by the members to help fund the programme of Humanitarian Aid approved by The Church of Jesus Christ of Latter-day Saints.

Perpetual Education Fund

These funds are donated by the members to help fund the programme of Perpetual Education approved by The Church of Jesus Christ of Latter-day Saints.

Youth Conferences

These funds are donated by the members to help fund the programme of Youth Conferences approved by The Church of Jesus Christ of Latter-day Saints.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

Notes to the financial statements (continued)

for the year ended 31 December 2014

9 Tangible fixed assets

	Assets in the course of construction £'000	Land and Buildings £'000	Plant & Equipment £'000	Motor Vehicles £'000	Total £'000
Cost:					
1 January 2014	22,796	350,345	2,712	3,610	379,463
Transfers	(6,333)	6,333	-	-	-
Adjustments	2	114	-	-	116
Additions	6,750	35	16	493	7,294
Disposals	-	(224)	-	(771)	(995)
31 December 2014	23,215	356,603	2,728	3,332	385,878
Depreciation:					
1 January 2014	-	101,155	2,404	2,043	105,602
Charge for Year	-	6,392	80	760	7,232
Disposals	-	(18)	-	(684)	(702)
31 December 2014	-	107,529	2,484	2,119	112,132
Net book value:					
31 December 2014	23,215	249,074	244	1,213	273,746
31 December 2013	22,796	249,190	308	1,567	273,861

The net book value of leases held over 50 years within land and buildings is £689,250 in 2014 (2013: £689,250).

10 Stock

	2014 £'000	2013 £'000
Finished goods and goods for resale	106	121

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

Notes to the financial statements (continued)

for the year ended 31 December 2014

11 Debtors	2014 £'000	2013 £'000
Due within one year:		
Deposits and advances	623	627
Other debtors	11	9
Prepayments and accrued income	2,595	3,345
	<u>3,229</u>	<u>3,981</u>

12 Investments	2014 £'000	2013 £'000
Deseret U.K.Trustco unlimited	1	1
	<u>1</u>	<u>1</u>

The trustees consider the value of the investments to be supported by the company's underlying assets.

13 Creditors: Amounts falling due within one year	2014 £'000	2013 £'000
Other taxation and social security costs	241	305
Other creditors	2,028	3,250
Deferred income	264	268
	<u>2,533</u>	<u>3,823</u>

Deferred income is further analysed as follows:

	2014 £'000	2013 £'000
Opening balance	268	276
Utilised in year	(268)	(276)
Accrued during year	264	268
Closing balance	<u>264</u>	<u>268</u>

14 Called up share capital	2014 £'000	2013 £'000
Authorised:		
25 million ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>
Allotted, issued and fully paid:		
10 million ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

15 Reconciliation of movements in total shareholders' funds	2014 £'000	2013 £'000
Net (deficit)/ surplus in funds for the year	(1,573)	1,082
Actuarial (loss)/gain on pension scheme (note 20)	(6,630)	1,440
Net change in total shareholders' funds	<u>(8,203)</u>	<u>2,522</u>
Opening shareholders' funds	271,700	269,178
Closing shareholders' funds	<u>263,497</u>	<u>271,700</u>

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

Notes to the financial statements (continued)

for the year ended 31 December 2014

16 Notes to the cash flow statement

a Operating (deficit)/surplus	2014 £'000	2013 £'000
Net (outgoing)/incoming resources before other recognised gains and losses	(1,573)	1,082
Interest received and other finance income	(650)	(121)
Gain on disposal of tangible fixed assets	(73)	(162)
Difference between pension charge and cash contributions	260	60
Operating (deficit)/ surplus	(2,036)	859
b Returns on investments and servicing of finance		
Interest received	-	1
c Capital expenditure		
Payments to acquire tangible fixed assets	(7,294)	(12,518)
Fixed asset adjustments	(116)	42
Receipts from sales of tangible fixed assets	362	1,625
	(7,048)	(10,851)
d Management of liquid resources		
Fixed term deposits reduction	-	-
e Analysis of changes in net funds		
	At 1 January 2014 £'000	Cash flows 31 December 2014 £'000
Cash at bank and in hand	3,219	(2,371) 848

17 Capital commitments

	2014	2013
	£'000	£'000
Capital expenditure authorised by the directors and contracted for	<u>2,516</u>	<u>2,538</u>

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

Notes to the financial statements (continued)

for the year ended 31 December 2014

18 Related party transactions and ultimate holding company

The company is owned solely by the Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints (the parent company and controlling party), a company incorporated in the state of Utah, United States of America. Assurances of continued financial support have been received from the Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints.

All inter-company balances between the company and its parent company are transferred to the statement of financial activities as a grant expense or grant income depending on whether it is a debit or credit balance at the year end.

Total grant income received from the parent company in 2014 was £8,258,000 (2013: £13,275,000).

During the year, the company acted as agent of the Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints in the transfer of funds to and from other Church entities throughout the world. Balances arising from those transactions are dealt with as entries on behalf of the Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints, and not as debtors and creditors of the company.

19 Commitments under operating leases

At 31 December 2014 the company had annual commitments under non-cancellable operating leases which relate to the lease of building facilities used for worship purposes and also to housing for missionaries. These are set out below:

	2014	2013
	£'000	£'000
Leases expiring:		
In less than one year	672	885
In two to five years	413	1,564
In more than five years	275	108

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

Notes to the financial statements (continued)

for the year ended 31 December 2014

20 Pension and other post-employment commitments

In conjunction with Farmland Reserve UK Limited, a charity also owned by the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-day Saints, the Company operates a defined benefits plan, The Deseret UK Benefit Plans ("The Plan") which was approved under Chapter 1 Part XIV of the Income and Corporation Taxes Act 1988. The Plan is contracted out of the State Second Pension.

The assets of The Plan are held separately from the assets of the Company. The most recent triennial valuation, using the projected unit basis, as at 31 December 2013, showed that the value of the Plan's assets was 94% of the value of the benefit accrued to members after allowing for future increases to earnings. The market value of The Plan's assets was £53,121,000 excluding money purchase additional voluntary contributions (AVCs). The following assumptions were adopted for the above valuation:

Investment return (before retirement)	6.30% pa
Investment return (after retirement)	4.13% pa
Pensionable Salary Increases	5.20% pa
Retail price inflation	3.70% pa
Pension Increases (post 04/1997)	3.55% pa

In order to produce the 2014 disclosures required under FRS17 a full valuation, as at 31 December 2013, has been updated, by an independent qualified actuary, using the assumptions as shown below:

	31 December 2014	31 December 2013	31 December 2012
Retail Price Index	3.30% pa	3.60% pa	2.80% pa
Consumer Price Index	2.20% pa	2.50% pa	2.00% pa
Discount rate	3.50% pa	4.60% pa	4.20% pa
Increases in payment (post 04/1997 to 04/2006)	3.10% pa	3.40% pa	2.75% pa
Pensionable salary increases	4.80% pa	5.10% pa	4.30% pa

The mortality assumptions used were as follows:

	31 December 2014	31 December 2013	31 December 2012
Life expectancy aged 65 now			
- Men	23.1	22.6	22.5
- Women	25.1	25.0	24.9
Life expectancy aged 65 in 20 years			
- Men	24.9	24.5	24.4
- Women	27.0	26.9	26.8

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

Notes to the financial statements (continued)

for the year ended 31 December 2014

20 Pension and other post employment commitments (continued)

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

On this basis, the balance sheet figures required under FRS17 are as follows:

	31 December 2014		31 December 2013		31 December 2012	
	Expected long-term return	Value £millions	Expected long-term return	Value £millions	Expected long-term return	Value £millions
Equities	n/a	36.56	7.6% pa	34.49	6.2% pa	30.87
Gilts	n/a	12.95	3.6% pa	11.40	2.7% pa	11.99
Corporate Bonds	n/a	7.21	4.6% pa	6.39	4.2% pa	6.36
Insured pensions	n/a	0.20	4.6% pa	0.21	4.2% pa	0.50
Cash	n/a	0.29	0.5% pa	0.20	0.5% pa	0.12
Total market value of assets		57.21		52.69		49.84
Present value of Plan liabilities		69.11		58.35		57.00
Plan deficit		(11.90)		(5.66)		(7.16)

Reconciliation of present value of scheme liabilities

	31 December 2014 £millions	31 December 2013 £millions
Opening defined benefit obligation	58.35	57.00
Service cost	1.60	1.55
Contributions by members	0.30	0.34
Interest cost	2.68	2.38
Actuarial losses/(gains)	8.15	(0.38)
Benefits paid	(1.97)	(2.54)
Closing defined benefit obligation	69.11	58.35

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

Notes to the financial statements (continued)

for the year ended 31 December 2014

20 Pension and other post employment commitments (continued)

Reconciliation of the fair value of scheme assets

	31 December 2014	31 December 2013
	£millions	£millions
Opening fair value of scheme assets	52.69	49.84
Expected return	3.33	2.50
Actuarial loss	1.52	1.06
Contributions by employer	1.34	1.49
Contribution by members	0.30	0.34
Benefits paid	(1.97)	(2.54)
Closing fair value of scheme assets	<u>57.21</u>	<u>52.69</u>

The actual return on plan assets was a gain of £4.85 million for 2014 (2013: gain of £3.56 million). The value of the plan assets is volatile. The asset value disclosed is at a point in time and will have moved since the year end.

Analysis of amount credited to net income

	31 December 2014	31 December 2013
	£millions	£millions
Current service cost	(1.60)	(1.55)
Expected return on pension Plan assets	(3.33)	(2.50)
Interest on pension Plan liabilities	2.68	2.38
Net return	<u>(2.25)</u>	<u>(1.67)</u>

The rate of contributions payable by the Company is determined by an independent qualified actuary on the basis of triennial funding valuations. Contributions paid by the Company to the Plan during the year ended 31 December 2014 amounted to £1.34 million (2013: £1.49 million). Contributions exclude employee contributions of £303,000 (2013: £336,000). 2015 contributions are expected to be in line with 2014.

Movement in deficit during the year

	31 December 2014	31 December 2013
	£millions	£millions
Deficit in Plan at beginning of the year	(5.66)	(7.16)
Movement in the year: Current service cost	(1.60)	(1.55)
Contributions	1.34	1.49
Other finance income	0.65	0.12
Actuarial loss	(6.63)	1.44
Deficit in Plan at end of the year	<u>(11.90)</u>	<u>(5.66)</u>

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

Notes to the financial statements (continued)

for the year ended 31 December 2014

20 Pension and other post employment commitments (continued)

Analysis of amount recognised in statement of financial activities

	31 December 2014	31 December 2013
	£millions	£millions
Actual return less expected return on Plan assets	1.52	1.06
Experience gains and losses arising on Plan liabilities	3.24	-
Changes in assumptions underlying the present value of the Plan liabilities	(11.39)	0.38
Actuarial (loss)/ gain recognised in the statement of financial activities	(6.63)	1.44

The cumulative actuarial loss as at 31 December 2014 is £23,250,000 (2013: loss of £16,620,000)

Amounts for current and previous four periods

Year ending 31 December	2014	2013	2012	2011	2010
	£millions	£millions	£millions	£millions	£millions
Defined benefit obligation	(69.11)	(58.35)	(57.00)	(49.65)	(44.27)
Scheme assets	57.21	52.69	49.84	46.69	45.66
(Deficit)/surplus	(11.90)	(5.66)	(7.16)	(2.96)	1.39
Experience adjustments on scheme liabilities	3.24	-	(0.83)	(0.83)	(0.05)
Experience adjustments on scheme assets	1.52	1.06	0.54	(2.39)	(0.14)
Changes in the assumptions for the value of plan liabilities	(11.39)	0.38	(4.31)	(2.63)	(2.48)

21 Post balance sheet events

On 1 July 2015, the Charity acquired, for its own use, freehold property at Oliver's House, 51-53 City Road, London, for the contracted price of £11,760,000 (including VAT). The acquisition has been wholly financed by way of cash resources.

The Trustees agreed that the purchase is in accordance with the Charity's statutes to further its objectives.